GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4043
ANSWERED ON:22.08.2003
WIDENING OF TAX NET
RAMESH CHENNITHALA

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Direct Taxes is preparing to widen taxnet by making service providers to compulsorily inform income-tax department in case of hefty bills on purchases;

(b) if so, the details thereof; and

(c) the manner in which it would be ensured to protect genuine persons ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) The Finance Act, 2003 has inserted a new section 285BA in the Income-taxAct providing that any assessee, who enters into any prescribed financial transaction with any other person, shall furnish an Annual Information Return inrespect of such financial transactions entered into by him during the financial year. The above section shall be applicable from the assessment year 2004-2005.

(b)&(c) The format of the Annual Information Return and the details of the financial transactions are yet to be prescribed.